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WASHINGTON (Thomson Financial) - A key House leader acknowledged today that Republicans and Democrats still need to iron out 'significant' ideological differences before they can agree to an economic stimulus package, and, as evidence of these hurdles, new disputes arose today about whether the package should focus on sending money to low-income workers, or finding new tax breaks for businesses.

This morning, House Majority Leader Steny Hoyer was a bit less conciliatory than the two parties have been in recent days, saying that economic problems the US faces are due in part to the economic policies of the Bush Administration.

'There are significant philosophical differences between the two parties,' Hoyer said. 'We understand the need to give incentives to business, but we also are absolutely committed to making sure that those lower-income level to middle-income level working Americans get substantial... relief at a time of great stress.'

Evidence of this split continued to materialize as the day progressed, best described by Chairman of the House Ways and Means Committee Charles Rangel: 'I would like to respond to the suggestion by leaders that there will be a 'vigorous argument' to prevent the stimulus from reaching hardworking families who live paycheck to paycheck, contribute to Social Security and Medicare, or who may have recently lost their jobs,' Rangel said in a statement.

'Any 'argument' on this issue will be met with equally vigorous discussion of the inclusion of tax incentives for businesses that have been proven by economists to have a less-than-timely return on investment', he added.

Hoyer noted today that nearly all US economists 'believe that food stamp relief, unemployment insurance relief are immediate and effective spurs to the economy.'

Many sources say the White House might agree to some form of new government spending as the price of getting a package.

'Temporary consumer tax rebates should not be confused with economic stimulus,' RSC Chairman Jeb Hensarling of Texas said today. 'House conservatives believe that economic stimulus legislation should actually include economic stimulus.'

House Minority Leader John Boehner said he supports the RSC proposal, although he indicated that many of its components might have to wait until later in the year for passage. There have already been some reports that a stimulus package may have to be completed in two parts.

Other members offered additional ideas today. Rep. Mark Kirk of Illinois suggested 25 bln usd in new government funding to buy up home mortgages for a three-year period as a way of providing liquidity to the mortgage market.

Hoyer declined to go into many details of the progress of the talks between Congress and the administration, led by US Treasury Secretary Henry Paulson. However, Hoyer did say that the parties are still considering whether the tax relief should be 'triggered' by a finding that the economy is in recession, or some other finding of an economic downturn.

Hoyer said a trigger in some form is 'under consideration,' but said even if the US is not heading into a recession, it is likely time to act already in light of current market risks.

'Responding to that risk seems prudent,' he said.

Hoyer also indicated that it is unclear whether the stimulus package would include any provisions specific to the housing turmoil, or any infrastructure spending. When asked about New York Senator Charles Schumer's comments this week that these elements would be included, Hoyer said, 'I think that's Mr. Schumer's position.'

But complicating the matter, another senator, Christopher Dodd of Connecticut, also said today that he supports elements that address the housing crisis.

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